

John Knox Walkup
615.251.6713
kwalkup@wyattfirm.com

RECEIVED
NOV 13 2000
100 JUL 10 PM 2 44
EXECUTIVE SECRETARY

November 13, 2000

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Z-Tel Communications, Inc. (Docket No. 00-00861)

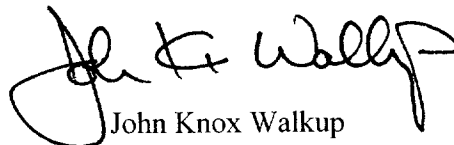
Dear Mr. Waddell:

Enclosed please find an original and thirteen copies of responses to your request for information in the above styled matter. If you have questions or need additional information, please contact me or Sheri Jacobs.

Thank you very much for your attention to this matter.

Sincerely,

WYATT, TARRANT & COMBS, LLP



John Knox Walkup

JKW/kms

Enclosures

POSTED
11/14/00

Financial Requirements:

1. *Projected* financial statements (three years): (Balance Sheet, Income Statement, Statement of Cash Flows).

This information will be forwarded under separate cover.

2. A three year capital expenditures budget that includes the following: Equipment to be deployed; Cost of Equipment; and Sources of funding Tennessee network, equipment, *UNEs*: cash, loan commitments, vendor credits, letters of credit, etc. (complete detail).

Z-Tel will not be deploying equipment in the state of Tennessee. The company intends to offer service via UNE-P as it does currently in 11 states. The company does not anticipate any additional requirements for funding to expand into the Tennessee market.

3. Please quantify amounts included in financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

As stated in item IV(E) of the company's application, this is not applicable

4. Reminder: TCA §65-4-125 amendment states that all telecommunications service providers subject to the control and jurisdiction of the authority, *except* those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, §65-4-301 (b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than *five million (\$5,000,000)*, shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of *twenty thousand dollars (\$20,000)* to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. **Please submit a corporate surety bond or irrevocable letter of credit to the TRA on the provided forms, if applicable.**

As stated in the company's initial application, item IV(F), the company already has a \$20,000 bond posted as an interexchange reseller in the state of Tennessee.

Small and Minority-Owned Telecommunications Business Participation Plan:

Please provide a Small and Minority-Owned Telecommunications Business Participation Plan in accordance with **TCA §65-5-212**. Provide definitions from statute. An example is on the TRA Telecommunications website.

A Small and Minority-Owned Telecommunications Business Participation Plan was submitted as Exhibit F to Z-Tel's initial application.

Numbering Issues:

Please provide answers to the following numbering issued with your proposed service area:

1. What is your Company's expected demand for NXXs per NPA within a year of approval of your application, even though the Applicant may utilize UNEs from BellSouth?

As stated in the company's application, item VIII(1), the company does not anticipate any demand for NXXs. The company's proven marketing efforts in 11 states as a competitive local exchange carrier currently marketing exclusively to residential customers indicates that customers utilize their existing telephone numbers and switch their service to Z-Tel. The company does not anticipate any change in this when marketing in Tennessee.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint while utilizing UNEs, etc.?

Please see the response to this question in the company's initial application, item VIII(2) as well as the response to number 1 above. The company has not requested NXXs from NANPA in the past, nor does it expect to do so in the future.

3. Will the Company sequentially assign telephone numbers within NXXs when utilizing UNEs, etc.?

No. As stated in the company's original application, item VIII(4), this is not applicable.

4. What Tennessee numbering conservation measures will the Company utilize?

Not applicable. As stated in the company's original application, item VIII(5), the company will comply with resource conservation measures as per BellSouth procedures.

5. When ordering new NXXs for growth, what percentage fill of an existing NXX does the Company use to determine when a request for a new NXX will be initiated?

Not applicable, as stated in the company's original application, item VIII(6).

Miscellaneous:

1. Are Customer deposits required? If so, amount required? Is the Applicant bonded for the amount of the deposits?

As stated in the company's original application, item X(E), The Company may, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or does not have established credit or has a bad credit rating to make a deposit prior to or at any time after the provision of service to the Customer to be held by the Company as a guarantee of the payment of rates and charges. No

such deposit will be required of a Customer which has established satisfactory credit and has no history of late payments to the Company.

Z-Tel has posted a bond for \$20,000 under its current authority as a reseller in the State of Tennessee.

2. Will the Applicant provide consumer access to and support for the Tennessee Relay Center in the same manner as the incumbent local exchange telephone companies?

As stated in the company's original application, item III(5), the company intends to provide consumer access to and support for the Tennessee Relay Center in the same manner as the incumbent local exchange telephone companies.

Consumer Complaints received by Z-Tel 1/1/00 - 10/1/00

Complaint Type definitions:

Authorization of Switch Dispute: Customer requests authorization of account to be reviewed for validity

Customer Service Interaction: Customer Service contact was unsatisfactory

Billing Inquiries: Customer requests review of the account charges

Service Issues: Provisioning experience was unsatisfactory or Repair was delayed

TOTAL BY COMPLAINT TYPE AND MONTH

Type of Complaint	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT
Authorization of Switch Dispute	87	90	137	74	63	51	79	160	110
Customer Service Interaction	40	22	35	17	20	7	18	17	18
Billing Inquiries	31	28	50	24	33	18	31	67	52
Service Issues	34	20	36	21	40	17	33	45	56
TOTAL # OF COMPLAINTS	192	160	258	136	156	93	161	289	236
# OF ACTIVE CUSTOMERS	45,000	60,000	86,000	100,000	130,000	170,000	190,000	nonpublic	nonpublic
PERCENTAGE	0.43%	0.27%	0.30%	0.14%	0.12%	0.05%	0.08%	0.00%	0.00%

TOTAL BY STATE

GA	TX	PA	MA	NY	FL	CA	IN
3	121	288	53	1212	2	1	1